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PROGRAMME OF FUTURE WORK AND PRIORITIES

Report of the Advisory Committee on Administrative and Budgetary Questions on the proposed administrative and programme support costs of the United Nations International Drug Control Programme

1. Pursuant to the request contained in paragraph 3 of General Assembly resolution 46/185 C Part XVI, the Advisory Committee on Administrative and Budgetary Questions has considered, for the first time, the administrative and programme support costs of the United Nations International Drug Control Programme (UNDCP) for the biennium 1992-1993 (E/CN.7/1992/12/Add.1), together with the report of the Executive Director on financial data on operational activities in 1991 (E/CN.7/1992/CRP.10) and a note by the Secretariat of the UNDCP on the programme of future work and priorities (E/CN.7/1992/12). During the course of its consideration of the documents the Committee met with representatives of the Executive Director of the Programme.

Format and presentation

2. The Advisory Committee appreciates the efforts made by the UNDCP in the preparation of the various documentation submitted to the Committee. However, this being the first such attempt, the Advisory Committee believes that there is room for improvement in future budget submissions, especially with regard to the format and presentation of the budget document. For this purpose the Committee recommends that UNDCP, taking into account its goals and structure, and the existing budget models in the United Nations system, avail itself of the in-house expertise already available in the United Nations for the preparation of its future budget documents so as to bring the transparency and accuracy of its budget up to the existing United Nations standards. In this connection the Advisory Committee draws attention to General Assembly resolution 32/197 which recommends that the organizations of the United Nations system should intensify their efforts to develop harmonized budget presentations and a common methodology of programme classification and description of content.

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Financial rules

3. The Committee recalls that financial rules of the Fund are to be promulgated by the Secretary-General in accordance with the Financial Regulations of the United Nations; these rules should be submitted to the Committee and promulgated before the Committee receives the budget estimates referred to in paragraph 5 below, which should be prepared pursuant to the rules.

Budget cycle

4. The Advisory Committee notes the proposal of the UNDCP contained in document E/CN.7/1992/12 (paras.12 to 17) with regard to the calendar of budget submisssions of UNDCP and approval thereof by the Commission on Narcotic Drugs. In this connection the Advisory Committee is of the opinion that the planning, programming and budget cycles of the United Nations and its programmes should be harmonized. General Assembly resolution 32/197 recommends that organizations of the United Nations system should synchronize their programme budget cycles. For UNDCP's budget cycle to synchronize with the rest of the United Nations, the Commission should approve the budget of the Programme and the administrative and programme support costs budget in odd numbered years. Moreover, it is essential that the UNDCP budget be approved by the Commission prior to the start of the financial period. In other words, to consider and approve the budget for the 1994-1995 bienium the Commission would need to take action at its Spring 1993 session.

5. The Advisory Committee was informed by the representatives of the Executive Director that UNDCP, in the context of reporting to the forty-seventh session of the General Assembly as required by paragraph 4 of resolution 46/185-C XVI, intends to provide the Advisory Committee at the Committee's Fall 1992 session with revised budget estimates for 1993 as well as proposed estimates for 1994. The Committee believes that every effort should be made to provide the Committee with revised budget estimates for 1992-1993 as well as proposed estimates for 1994-1995; in any case the Committee recommends that by the 1996-1997 biennium at the latest, the UNDCP budget should be fully synchronized in the manner indicated in paragraph 4 above.

Proposed budget estimates for 1992-1993

6. As summarized in paragraph 14 of the budget document (E/CN.7/1992/12/Add.1) the proposed Fund budget estimates are shown as $81,809,800 for 1992 and $85,919,300 for 1993 for a total of $167,729,100 for the biennium. These estimates cover items such as ongoing country and regional projects, new projects (pipeline), global projects, contingency, and field operations support.

7. Administrative and programme costs as summarized in paragraph 60 of the document are estimated at $6,122,000 for 1992 and $6,495,400 for 1993 for a total of $12,617,400 for the biennium and include such items as general temporary assistance, consultants, temporary posts, common staff costs, travel of staff, contractual services, rental and maintenance of equipment, furniture and equipment, contribution to joint activities, communications and supplies and materials etc.

8. In paragraphs 72 and 73 of the budget document the Executive Director proposes an increase of 4 posts in 1992 and 4 in 1993. With regard to the 4 posts requested for 1992, the Advisory Committee notes that the same posts had previously been discussed in its report A/46/7/Add.9, at which time the Committee had recommended against the creation of the posts. However, in view of the additional information provided by the represenatives of the Executive Director, and pending the Committee's consideration of the revised estimates for UNDCP and the revised UNDCP administrative structure during its Fall 1992 session (see paragraph 5 above), the Committee recommends that the proposed 8 posts be authroized on a temporary basis.

9. The Committee notes that Table 2 of document E/CN.7/1992/CRP.10 and paragraph 14 of the budget document reflect items such as "general operating expenses", "programme support costs", "field operations support" and "administrative and programme support costs". However, the Committee points out that all costs related to these services have not been fully identified and properly classified in the documents; the Committee was not provided with a satisfactory explanation as to the criteria used to differentiate between them. The Committee therefore recommends that UNDCP undertake, with the assistance of the Budget Division of the United Nations, a proper classification of the above services and report to the Committee in the context of the report referred to in paragraph 5 above. The budget document should also include specific data on expenditure by country and by programme such as is now included in UNHCR budget submissions to the Advisory Committee.

10. The Advisory Committee also recommends that future submissions should include clear and detailed information on estimates of income and the various sources and components of that income. Such data is essential to a full understanding of the totality of resources available to UNDCP, the relationship, if any, between the general fund and the special purpose and trust funds and the basis of the estimate of administrative and programme support income and expenditure. On the subject of programme support income the Advisory Committee reiterates its recommendation that a mechanism be devised and an understanding be reached with donors, whereby administrative costs are proportionately charged to funds earmarked for specific projects. The Committee notes that more than 65 per cent of the extrabudgetary resources available to the Fund are earmarked; the Committee reiterates that UNDCP should make increased efforts to obtain more unearmarked contributions in keeping with the multilateral character of the organization. Finally, the Advisory Committee believes that a better defined link between the programme budget and the administrative and support costs budget is essential to enable it to make an assessment of requirements for staffing and other administrative items.

Reserves

11. In Table 1 of the budget document (E/CN.7/1992/12/Add.1) total projected resources for 1992 include a reserve of $49.71 million for "future year requirements of trust fund projects" and $9.90 million as an "operational reserve". For 1993 these reserves are shown as $29.30 million and $10.39 million respectively. In addition, total expected expenditures shown in the same table, include a "reserve for programming" of $52.74 million for 1992 and $30.94 million for 1993. Also, the Committee was informed that projected expenditure for trust fund projects includes a contingency reserve of $500,000 both for 1992 and 1993.

12. The Committee requests that it be provided at its Fall 1992 session, with detailed information and justification on the reserves. Such information should include definitions and criteria used to determine the level of these reserves, the reasons and purpose for setting them up, guidelines for using them, and the relationship between the reserves and programme delivery.

13. Furthermore, in addressing this issue the Advisory Committee recommends that the Commission consider how it can enhance the programme support capabilities of UNDCP for evaluation, planning and identification of projects and how UNDCP can accelerate the disbursement of its resources.